

WASHINGTON D.C. – The Special Inspector General for the Troubled Asset Relief Program (SIGTARP) announced that as a result of a request from Rep. Darrell Issa, the Ranking Member of the Oversight and Government Reform Committee, an audit of the Treasury Department's \$2 billion Housing Finance Agency Innovation Fund for the Hardest Hit Housing Market (Hardest Hit Fund) will be initiated.

[On May 21st, Issa sent a letter](#) to Treasury Secretary Timothy Geithner raising concerns regarding the program's "opacity, waste, and poor planning" and that Treasury make available "basic information about how the projects subsidized by the Hardest Hit Fund will be proposed, evaluated, and assessed."

"As with other foreclosure-mitigation programs, taxpayers are in the dark about how their money will be spent and whether the spending has been effective," Issa wrote to Geithner.

Treasury never responded to Issa's letter. On [June 23rd](#), [Issa sent a letter](#) to the SIGTARP, Neil Barofsky, requesting that his office "conduct an appropriate audit" given that Treasury had not "revealed, in a fully transparent manner, the scope and objectives of the state programs that will receive Hardest Hit Fund monies."

In light of these concerns, [SIGTARP has announced](#) that they will initiate an audit that will examine:

- To what extent did Treasury apply consistent and transparent criteria, including applicable provision of the Emergency Economic Stabilization Act of 2008, in selecting the states and programs to receive money under the Hardest Hit Fund?
- To what extent has Treasury determined the programs to be funded by Hardest Hit Fund are innovative as compared to existing federal and state programs?
- Has Treasury put sufficient mechanism in place to prevent waste, fraud, and abuse of the Hardest Hit Fund?
- What goals and metrics have Treasury adopted and reported to the public for the operations of the Hardest Hit Fund?

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